

DECISION OF THE COMPETITION COUNCIL
no. 15 of 03.02.2006
concerning the state aid notified by
the Authority for the Recovery of State Assets
to be granted to SC DOBROMIN SA Constanta

THE COMPETITION COUNCIL,

With regard to the provisions of the European Agreement establishing an association between Romania, on one hand, and the European Communities and their Member States, on the other hand, ratified by Law no. 20/1993, published in the Romanian Official Gazette no. 73, Part I, of 12.04.1993,

With regard to the provisions of the Competition Law no. 21/1996, republished in the Official Gazette no. 742, Part I, of 16.08.2005,

With regard to the provisions of the State aid Law no. 143/1999, republished in the Official Gazette, Part I, no. 744 of 16.08.2005,

With regard to the provisions of the Regulation on State aid for rescue and restructuring firms in difficulty, published in the Official Gazette, Part I, no. 1215, of 17.12.2004,

With regard to the provisions of the Decree no. 57/2004 on the appointment of the Competition Council's members,

Based on the following,

1. PROCEDURE

(1) By address no. VP/4718/23.11.2005, filed with the Competition Council no. RS-AS 113/24.11.2005, the Authority for the Recovery of State Assets (hereinafter AVAS) has notified based on art. 15 from Law no. 143/1999 on state aid, republished, the individual state aid for the restructuring of SC DOBROMIN SA Constanta within the privatization process. The notification became effective on 3.12.2005.

2. DESCRIPTION OF THE STATE AID MEASURES

2.1. Legal basis for granting the aid

- EGO no. 26/2004 regarding certain measures for completing the privatisation of the companies in AVAS' portfolio and consolidating some privatisations, approved with amendments and completions by the Law no. 442/2004¹.

2.2. Beneficiary of the measures – SC DOBROMIN SA Constanta

(2) The State aid beneficiary is SC DOBROMIN SA Constanta (hereinafter DOBROMIN). The company derives from the Dobrogea Mining Company, set up in 1948 by the nationalisation of several private companies that extracted chalk, kaolin clay, sands and calcars. In 1990, the Dobrogea Mining Company was included in the Non-metal Regie Autonome, reorganised according with GD no. 604/1992 to form SC COMINEX SA (subsequently renamed SC COMINEX NEMETALIFERE SA) which, according with GD no. 247/1993, was divided into 3 companies, one of these being DOBROMIN².

(3) DOBROMIN was privatized in 2004, by signing the share sale-purchase agreement no. 84/02.12.2005, concluded between AVAS, on one hand, and the consortium comprising SC METALEUROEST SRL Campina, SC ELSID SA Titu, the Minierul Constanta Employees' Association and Mrs. Serban Gabriela, on the other hand; the shareholders structure after privatization is presented in table no. 1. The share ownership transfer took place on 9.12.2004.

Table no. 1 **Ownership structure at DOBROMIN after privatization**

SHAREHOLDERS	EQUITY HOLDINGS	
	Number of shares held	Number of shares held
SC METALEUROEST SRL Campina	1,979,452	85,87447
SC ELSID SA Titu	115,218	4.99850
Minierul Constanta Employees' Association	207,393	8.99732
Serban Gabriela	2,304	0.09995
Natural persons	686	0.02976
Total	2,305,053	100.00

Source: AVAS Notification

(4) The main business of DOBROMIN consists in the extraction of calcareous stone, plaster and chalk (CAEN code 1412).

(5) The main product groups manufactured by the company are:

- crushed chalk for industrial use;
- non-calcinated dolomite;
- quartzite.

¹Law no. 442/2004 for approving EGO no. 26/2004; art. II of EGO no. 26/2005, approved with amendments and completions by Law no. 244/2005 ; Law no. 244/2005 for approving EGO no. 26/2005 for annulling the legal provisions concerning the granting of facilities to the payment of overdue budgetary obligations.

² DOBROMIN is a public company, registered at the Trade Register under no. /3723/1993, the unique registration code 2408236 and headquartered in Constanta, 4 Marc Aureliu str., Constanta county.

(6) Financial results of DOBROMIN based on balance sheet data prior to the privatization are the following:

Table no. 2 Financial results, based on balance sheet data

2002	2003	2004
Turnover (RON)		
15,493,650	11,826,346	6,358,176
Loss (RON)		
-2,535,500	-3,850,100	-2,710,400

Source: AVAS Notification

The company does not export, its entire turnover being made on the domestic market. As shown by the data presented above, the company made losses prior to privatisation.

(7) DOBROMIN is a large enterprise, since its number of employees exceeds the limits imposed by the Regulation on State aid for SMEs, with the subsequent amendments and completions. Thus:

- 85.87% of DOBROMIN equity is held by SC METALEUROEST SRL Campina; therefore, DOBROMIN and SC METALEUROEST SRL Campina are related companies within the meaning of Art. 2 (7) of the Regulation on State aid for SMEs, with the subsequent amendments and completions;
- The number of employees and financial values are the following:
 - The number of employees of DOBROMIN at the end of 2004 is 229, and that of the majority shareholder, of 58;
 - The turnover made by the company is RON 6,358,176, while the majority shareholder makes a turnover of RON 13,464,188.

2.3. Financial position of DOBROMIN prior to privatization

(8) Prior to privatization, DOBROMIN was in a difficult situation shown by:

- decrease of turnover in real prices of about 54% in 2004, as compared with the previous year;
- decrease of cash flow due to a low recovery of receivables and payment of debts which do not ensure available cash to carry out business;
- increase of company debts due to lack of liquidity;
- increase of financial burdens, shown by intermediate liquidity, which is close to the minimum limit of the admissible margin;
- decrease of net worth – the own capital of the company registering negative values since 2003.

(9) Causes leading to the company being in difficulty:

- exploitation of obsolete technology, leading to continuous productivity decline;
- drastic decrease in demand on certain segments of the market, leading to the fall of the volume of production activity under the profitability threshold;
- lack of a higher and more constant flow of orders, due to the problems faced by the Romanian industry as a whole.

(10) Taking into consideration this difficult situation, AVAS decided to privatize DOBROMIN and to grant some facilities conditioned by the implementation of some restructuring measures.

According to information from the notification, the privatization presentation file informed the potential investors of the facilities for the payment of overdue budgetary payments.

2.4. Financial support measures for DOBROMIN

(11) [...] ³

2.5. Relevant markets

(12) DOBROMIN is active on the following relevant markets: market for crushed calcar for industrial use, dolomite market and quartzite market. The company has attached to the restructuring plan a „Market study for the main products and services provided on the market by SC DOBROMIN SA in view of establishing the company’s restructuring and economic-financial relaunch strategy”. The market study has been drawn up by IPCMG SA Bucharest – Design and Consulting Public Company and mainly presents the following:

- an analysis of the markets on which the company operates (calcar market, dolomite market and quartzite market) over the period 2002-2004;
- analysis of the competition on the internal markets;
- perspectives for the development of the markets on which the company operates during 2005-2009.

(13) According to this market study, the size of the relevant market on which the company operates and the market shares held by it during 2002-2004 are the following:

Table no. 3 Size of the relevant markets and market shares held by DOBROMIN during 2002-2004

Product	Specification	MU	Year		
			2002	2003	2004
Calcar	Market size	tons	5,948,980	7,253,064	7,001,596
	DOBROMIN’s market share	%	2.1	2.2	2.3
Dolomite	Market size	tons	823,720	673,967	750,955
	DOBROMIN’s market share	%	11.3	17.3	25.4
Quartzite	Market size	tons	86,374	77,584	99,901
	DOBROMIN’s market share	%	31.6	40.3	57.7

Source: Market study

The company does not export, its products being intended only for the domestic market.

(14) [...] ⁴

(15) Preparations for accession to the European Union draw massive investments in the field of constructions (roads, office buildings, trade and industrial areas, housing buildings). The development of the constructions sector and implicitly of the construction materials sector determine, according to the market study, an approx. 5% per year increase in the market demand for products manufactured by DOBROMIN during 2005-2009.

³ Confidential data

⁴ Confidential data

2.6. Description of the privatisation process

(16) AVAS decided on the privatization of the company based on final enhanced and irrevocable offers. The privatization process was initiated on 25.10.2004 by the publication, in the daily newspapers „Ziarul Financiar”, „Bursa” and „Romania Libera” and on the Internet, of the sale announcement of the share package held by AVAS in DOBROMIN.

(17) The company file, compiled in view of selling the share package held by AVAS at DOBROMIN, contained information on the financial, legal and environmental status of the company, as well as debts that would be exempted. In order to carry out the privatization process in a transparent manner, the potential bidders were given the possibility to perform their own analysis of the company put up for sale.

(18) Following the publicity, 4 company files were bought. The bidder qualified for negotiations was the consortium made of: METALEUROEST SA Campina, SC ELSID SA Titu, the Minierul Constanta Employees' Association and Mrs. Gabriela Serban.

(19) In accordance with the legislation in force, in view of improving the financial offer (price and investment quantum), negotiations were carried out with the qualified investor, the consortium comprising: SC METALEUROEST SA Campina, SC ELSID SA Titu, the Minierul Constanta Employees' Association and Mrs. Gabriela Serban (hereinafter named the Buyer).

(20) [...] ⁵

3. DESCRIPTION OF THE RESTRUCTURING PROGRAM

(21) Company has drafted a comprehensive restructuring plan for the period 2005-2009, comprising organizational, technological, environmental and financial measures. The restructuring plan has been drawn up by the company and the buyer with IPCMG – Design and Consulting Public Company and approved by AVAS.

(22) The restructuring plan submitted by AVAS contains the causes which led to DOBROMIN's difficulties, as well as measures to ensure the long term viability of the company. AVAS estimates that by implementing the plan the company will become profitable and secure the necessary financial resources to conduct business without debts to the consolidated budget of the state or the local budgets.

(23) [...] ⁶

(24) The implementation of the restructuring plan requires a financial effort of RON 612.2 thousand, of which RON 5,000.0 thousand are committed by the investor, while the State contributes to the company's financial restructuring with RON 2,612.2 thousand. This plan is expected to restore the viability of the company in 2009 (at the end of the restructuring period).

⁵ Confidential data

⁶ Confidential data

3.1. The organisational restructuring

(25) The organisational restructuring includes a reduction in the existing workforce. Following the analysis performed, it has been determined that the personnel necessary to carry out DOBROMIN's activity at full efficiency, at the level of the provisioned turnover, is 102 persons. As compared to the personnel existing at the end of October (205 employees), it results that 93 employees need to be laid off. The deadline for the measure is 31.12.2005, the cost is RON 527 thousand and it is entirely borne by the Buyer.

3.2. Technological restructuring

(26) [...] ⁷

3.3. Restructuring measures for environmental protection

(27) [...] ⁸

3.4. Financial restructuring

(28) At privatization, the company required financial restructuring for the normal functioning of the manufacturing activity, besides other restructuring measures assumed through the restructuring plan.

(29) In the case of DOBROMIN, the financial restructuring contains financial support from the State granted at privatization, consisting of exemptions from the payment of overdue obligations to the consolidated state budget, local budgets and AVAS, in total amount of RON 2,612.2 thousand. In order to carry out the financial restructuring, the Buyer contributes an amount of RON 355.0 thousand, representing working capital.

(30) [...] ⁹

4. STATE AID ASSESSMENT OF THE MEASURES

4.1. The State aid character of the notified measures

(31) The criteria, which allow to establish if a measure is State aid, are presented in art. 2 (1) of Law no. 143/1999 on State aid, republished. Thus, any support measure granted by the State or from State resources or resources of the local administration, no matter the form, that distort or threaten to distort competition, by favouring certain enterprises, the production of certain goods or the provision of certain services, or that affect the trade with the Member States represents State aid and is considered incompatible with a normal competitive environment.

(32) The financial support granted to DOBROMIN and notified by AVAS consists in the State renouncing to collect certain revenues; therefore, resources of the State are involved.

⁷ Confidential data

⁸ Confidential data

⁹ Confidential data

(33) The financial support measures granted on the basis of EGO no. 26/2004, concerning certain measures for completing the privatisation of the companies in AVAS' portfolio and consolidating certain privatisations, approved with amendments and completions by the Law no. 442/2004, only concern the undertakings to be privatised, among which DOBROMIN. Thus, the financial support granted to this company is selective.

(34) The argument that debt cancellation or rescheduling represents an advantage is valid only in a non-privatization context. In the present case, debt cancellation and rescheduling are part of the privatization process and, as a consequence, it should be established whether these represent State aid. Thus, in order to assess whether an economic advantage is granted to DOBROMIN through these facilities, the behaviour of the State should be compared to that of a private investor/seller acting in similar conditions, i.e. the private investor test should apply.

(35) Normally, an investor/creditor shall seek to obtain a positive price, that is a price higher than the amount of the debts. Nevertheless, in this case the price is negative, i.e. smaller than the value of the facilities. An investor/creditor might be predisposed to accept a negative price, should the cost of privatization be less than the cost of liquidation. In the present case, such an analysis is not possible as AVAS informed the Competition Council that no comparative analysis of the liquidation and privatization costs was conducted. Consequently, the decision to privatize the company could not have been made on the above basis.

(36) Further, considering the additional social costs and the costs of liquidating the company (such costs are not usually borne by a private investor/creditor), the State opted to privatize and grant the facilities mentioned as part of the privatization process. In this context, the private creditor/investor principle as set out above is not applicable to the privatisation of DOBROMIN.¹⁰

(37) Granting financial support to DOBROMIN sets the premises for a possible distortion of the competition on the relevant markets, since it allows the company to stay on these markets. Moreover, there is no doubt that the financial support granted to DOBROMIN may affect trade with the Member States of the European Union, since the products manufactured by the company may compete with similar products manufactured in the European Union.

(38) To conclude, the Competition Council considers that the financial facilities granted to the company at privatization are considered to represent State aids and fall under the scope of the Law no. 143/1999 on State aid, republished.

4.2. Compatibility with the State aid legal framework

(39) Art. 2 of the Law no. 143/1999 on State aid, republished, foresees that State aid granted by the State or from State resources that distort or threaten to distort competition and affect trade with the Member States are incompatible with a normal competitive environment.

(40) The State aid objective is the restructuring of DOBROMIN in order to restore its viability at the end of the restructuring period.

¹⁰ In any event the fact that there are conditions attached to the privatization package (see paragraph 20 above) is normally sufficient to dislodge the application of the private investor principle.

(41) The Competition Council evaluates the State aid granted to DOBROMIN, in accordance with the criteria stipulated in the Regulation on State aid for rescuing and restructuring firms in difficulty, published in the Official Gazette no. 1215/17.12.2004, issued in application of the Law no. 143/1999 on State aid, republished. To be considered compatible with a normal competitive environment, the State aid must fulfil the criteria set in the above mentioned Regulation.

(42) The restructuring aid is conditioned by the implementation of a viable and coherent restructuring plan, demonstrating the long term viability of the company. To this effect, the Regulation states that the restructuring usually involves one or more of the following elements: the company's re-organization and rationalization on a more efficient base, generally implying the retreat from actions that are generating losses, the restructuring of the existing activities that may become again competitive and sometimes the diversification towards new and profitable activities. In general, the industrial restructuring must be accompanied the financial restructuring (capital injections, reduction of debts degree, etc.).

(43) The aid granted upon the privatization of DOBROMIN is considered as individual state aid for restructuring and is to be granted based on a restructuring plan for 2005-2009, drafted by the company together with the buyer and AVAS with the main objective being the restoration of the company's viability until the end of the implementation period.

(44) The Competition Council assesses the state aid granted to DOBROMIN according to criteria provided in the Regulation on state aid for rescuing and restructuring firms in difficulty, as follows:

- eligibility of the company - company in difficulty;
- restoring the company's long term viability;
- avoid undue distortion of competition;
- aid limited to the minimum necessary (proportionality of the aid);
- observing the "first time, last time" principle;
- ensuring the fulfilment of the restructuring plan and permanently monitoring its progress;
- affiliation to a group of companies.

4.2.1. Eligibility of DOBROMIN – firm in difficulty

(45) In order to benefit from State aid in accordance with the Regulation on State aid for rescuing and restructuring firms in difficulty, the company must be in difficulty. According to the Regulation, the Competition Council considers that a company is in difficulty when it is not able to cover its losses either from its own financial resources or from other sources that it may obtain from owners/shareholders or creditors, and which, in the absence of external intervention of the State will almost certainly lead to the company's demise.

(46) In article 2 (2) (b) and (c) of the Regulation on State aid for rescuing and restructuring firms in difficulty, a company is considered as being in difficulty when more than half of its own capital, as the accounting records of the company show, and more than a quarter of its capital was lost during the last 12 months, and a company, irrespective of its legal status, is

considered in difficulty when it fulfils the conditions to allow the application of the procedure concerning the legal reorganization and the bankruptcy.

(47) In this respect, the Competition Council notes that, according to the company's balance sheet, in 2004 DOBROMIN registered a loss in amount of RON 2,710,378, representing 47% of the shareholders' equity (RON 5,762,633). In 2003, at an equity of RON 5,687,760, the company registered a loss in amount of RON 3,850,120, representing 68% of the shareholders' equity. Besides, with a total debt of RON 4,192,486 in 2004, representing 73% of the shareholders' equity, the company can be considered to fulfil the criteria to undergo the judicial reorganization and bankruptcy procedure.

(48) In view of the above the Competition Council finds that the criteria foreseen under Art. 2 (2) (b) and (c) of the Regulation on State aid for rescuing and restructuring firms in difficulty are met in order for DOBROMIN to qualify as a "firm in difficulty".

4.2.2. Restoring the long term viability of the company

(49) Difficulties confronting DOBROMIN led to the drastic reduction in its business activities, coupled with the cumulation of debts to the state budget which attracted delay penalties higher than overdue debts.

(50) Subsequent to the privatization in 2004, a restructuring plan for 2005-2009 has been drawn up. The summary of the measures included in the company's restructuring plan has been presented in chapter 3.

(51) The assessment of the restructuring plan and of the way in which it leads to the restoration of the company's long term viability has in view the provisions of article 13 of the Regulation on State aid for rescuing and restructuring firms in difficulty.

(52) According to article 13, the granting of a restructuring State aid is conditioned by the implementation of a restructuring plan. The evaluation of the State aid by the Competition Council is based on the restructuring plan. The restructuring plan, which must be as short as possible in time, must include the abandonment of loss making activities and to offer the company long term viability, thereby allowing it to function with its own resources. The restructuring plan must to be based on a realistic appraisal of market conditions, the restoring of viability having to result mainly from internal measures as well as from taking into consideration external factors such as price and demand over which the company has no substantial influence.

(53) The restructuring plan of DOBROMIN starts from the financial and economic data that reflects the company's activities in the period prior to privatization. This plan was elaborated as a result of a diagnosis that shows the strong and weak points of the company as well as the circumstances that led to the difficulties the company faces.

(54) [...] ¹¹

¹¹ Confidential data

(55) The implementation of the measures provisioned by the restructuring plan financed by the company and the majority shareholder, as well as by the state by facilities granted to the company for the payment of budgetary obligations is foreseen to improve the financial - economic indicators in the period 2005-2009, as follows:

[...] ¹²

(56) As a result of accomplishing the measures provisioned by the restructuring plan, at the end of the restructuring period the company forecasts to reach the following target indicators:

[...] ¹³

(57) Taking into account the above data, the Competition Council considers that the proposed restructuring plan will lead to the restoration of the long term viability of DOBROMIN.

4.2.3. Preventing any excessive distortion of the competition (compensatory measures)

(58) According to the provisions of the Regulation regarding State aid for rescuing and restructuring of firms in difficulty, in order to minimize as much as possible the negative effects that the State aids granted have on the competition on the relevant markets, compensatory measures are needed. These measures will be proportional with the distorting effects caused by the aids and especially with the size and relative importance of the company on the relevant markets. The reduction of the company's presence on the market will be set based on the market research attached to the notification, as well as on any other relevant information, and will be included in the restructuring plan.

(59) [...] ¹⁴

(60) The functioning production capacities prior to the beginning of the company's restructuring and after implementation of the restructuring plan are presented in the table below:

[...] ¹⁵

(61) As a consequence and having in regard the provisions of art. 14 of the Regulation on State aid for rescue and restructuring firms in difficulty that stipulates that the compensating measures will be proportional to the distortion effects of the State aid over competition and, especially, with the size and relative importance of the company on the effected markets, the Competition Council considers the reduction of production capacities proposed by the company through the restructuring plan as sufficient.

(62) In light of the above, the Competition Council notes that the State aid shall be used exclusively for restoring the company's viability, not allowing the beneficiary, while implementing the restructuring plan, to extend its production capacity.

¹² Confidential data

¹³ Confidential data

¹⁴ Confidential data

¹⁵ Confidential data

4.2.4. Aid limited to the minimum necessary (proportionality of the aid)

(63) In accordance with art. 15 of the Regulation on the rescue and restructuring of firms in difficulty, the State aid intensity and quantum is limited to the minimum necessary for implementing the restructuring plan. The State aid benefiting company must significantly contribute to the restructuring programme, using own resources, including the sale of unessential assets or external loans obtained under normal market conditions. According to art. 15 (2) of the Regulation, for large undertakings a contribution of at least 50% is considered adequate.

(64) [...] ¹⁶

(65) [...] ¹⁷

(66) [...] ¹⁸

(67) The State aid intensity calculated as ratio between the value of the State aid and the total restructuring cost is of 34.3%.

(68) Having in view the above mentioned aspects, the Competition Council considers as significant its contribution of 65.7% to the restructuring costs, this showing the trust in the practical value of the restructuring and the fact that the amount and intensity of the state aid were strictly limited to allow the restructuring according to the existing financial resources of the company and the Buyer. As a consequence, the ability of the company to apply any liquidity surplus for aggressive activities, with the possible distortion of the market, is reduced.

4.2.5. Observing the „first time, last time” principle

(69) DOBROMIN never received restructuring aid in the past. Thus, the provisions of article 24 of the Regulation on State aid for rescue and restructuring firms in difficulty, stating that the rescue and restructuring aid for firms in difficulty must be granted only once, is observed.

4.2.6. Affiliation to a group of companies

(70) According to the provisions of art. 2 (5) of the Regulation regarding State aid for rescuing and restructuring of firms in difficulty, a company belonging to a group is not normally eligible to receive State aid for rescuing and restructuring, except for the case when it can be proved the financial difficulties belong to the company itself are not the outcome of an arbitrary allocation of costs within the group and that the said difficulties are much too serious to be handled by the group itself.

¹⁶ Confidential data

¹⁷ Confidential data

¹⁸ Confidential data

(71) The fiscal facilities intended to be granted to DOBROMIN refer to historical debts – consequence of the economic results obtained in the years preceding the sale of the majority share package, so they are the company’s own.

(72) [...] ¹⁹

(73) [...] ²⁰

(74) [...] ²¹

(75) [...] ²²

(76) [...] ²³

4.2.7. Monitoring and annual reporting

(77) In accordance with article 18 the Regulation on State aid for rescue and restructuring firms in difficulty, the Competition Council permanently monitors the implementation of the restructuring plan so that the company will not fail in fulfilling the objectives established.

(78) The Competition Council will monitor the implementation of the restructuring plan until the end of the period to assure itself that increases of the production capacities are not registered, major deviation from the achievement of restructuring measures and that the State aid will not lead to the creation of complementary liquidities to be used for other activities contained in the restructuring program.

5. CONCLUSIONS

(79) Having in view the above mentioned aspects, the Competition Council concludes that the individual State aid intended to be granted to DOBROMIN is compatible with a competitive normal environment and does not significantly affect the trade with the Member States of the European Union.

DECIDES

Art. 1. The financial support measure notified by the Authority for the Recovery of State Assets for SC DOBROMIN SA Constanta represents a State aid according to article 2(1) of the Law no. 143/1999 on State aid, republished.

Art. 2. Based on the provisions of article 21 (2) letter c) corroborated with art. 23 (1) e) of the Law no. 143/1999 on state aid, republished, the restructuring aid that is going to be granted to SC DOBROMIN SA Constanta at privatization, is authorized with the condition to observe the provisions of articles 3 and 4 of the present Decision.

¹⁹ Confidential data

²⁰ Confidential data

²¹ Confidential data

²² Confidential data

²³ Confidential data

Art. 3. The company is compelled to fully implement the assumed restructuring plan.

Art. 4. The company shall reduce the production capacities until 2009, according to the assumed restructuring plan.

Art. 5. If the conditions imposed by the present decision are not observed, the provisions of article 22 of the Law no. 143/1999 on State aid, republished shall apply.

Art. 6. The amount of the State aid that is going to be granted is of RON 2,612,200.

Art. 7. The present decision becomes applicable as of communication.

Art. 8. In accordance with the provisions of article 32 of the Law no. 143/1999 on State aid, republished the Authority for State Assets Recovery shall submit to the Competition Council information on the State aid granted in order to inventory and monitor. In addition, the Authority for State Assets Recovery shall submit to the Competition Council the annual reports on the implementation of the restructuring plan. The first report shall be submitted within 6 months from the issuance of the decision. The following reports must include the necessary data on the (physical and value) stage of implementation of the restructuring plan. At the same time, information on the enforcement of compensatory measures related to the capacity reductions imposed by the present decision will be submitted.

Art. 9. In accordance with article 46 of the Law no. 143/1999 on State aid, republished the present decision can be appealed by interested parties at the Appeals Court, the Administrative Litigation Section within 30 days from its communication.

Art. 10. The present decision shall be communicated by the General Secretary of the Competition Council to:

- The Authority for the Recovery of State Assets, 50 Cpt. Av. Alexandru Serbanescu str., sector 1, Bucharest;
- SC DOBROMIN SA, Constanta, 4 Marc Aureliu str., Constanta county, postal code 8700.

PRESIDENT

MIHAI BERINDE